

FOR: HADI ABDOUL RAZZAK

MARCH 21st 2001

FROM: S. Gohar Yousif

1. Thank you for your fax
2. I have had the FINAL CONVERSATION WITH THE BANK.
3. THEY ARE NOT WILLING TO MAKE ANY ADDITIONAL CHANGES.
4. WE CAN EITHER AGREE OR WALK AWAY.
5. MY POINT OF VIEW IS THAT WE ACCEPT THE REVISED TERMS.
6. IN THE REVISED TERM THE COST OF LOAN ORIGINATION HAVE GONE DOWN FROM \$120,000 TO \$80,000.
7. THE ADDITIONAL \$5 MILLION IN PARAGRAPH 10(4) HAVE BEEN REMOVED.
8. THERE IS NO PREPAYMENT PENALTY IF WE NEGOTIATE LOAN WITH ANOTHER BANK AND GET RID OF WELLS FARGO (FOOTHILL), WHICH IS WHAT WE ARE ALREADY WORKING ON.

9. LET ME EXPLAIN THE FIGURES OF THE LAST FAX

LOAN OF FOOTHILL AT PRESENT TIME → \$ 8.2 million

\* BASED ON NEW FORMULA AS MENTIONED IN PARA # 1 (b) OF THEIR TERM SHEET → \$ 6.8 million

WE WILL HAVE TO PAY OFF THE DIFFERENCE

BETWEEN \$ 8.2 and \$ 6.8 → = \$ 1.4 million

LOAN CLOSING COSTS → 0.110

REQUIRED EXCESS AVAILABILITY - THIS IS IN ALL \$ 2.0 million  
PER FUND BASED LOANS VERY NORMAL

FUNDS THAT YOU HAVE IN EXCESS OF THE \$ 6.0 million PER VENDERS → \$ 2.5 million

NEEDED TO CLOSE LOAN (ADDITIONAL) → \$ 1.01 million

NEED AN ... FOR \$500,000 = (FIVE HUNDRED THOUSAND)

EXHIBIT

C

ARY-01987

6.8 loan bank  
6.0 vendor  
3.5 bank  
1.5 scota  
0.6 EXP  
11.6 cash  
6.8  
18.4